

GRADE 2

Communities Here and across the World

Standard 2-5: The student will demonstrate an understanding of trade and markets and the role of supply and demand in determining the price and allocation of goods within the community.

2-5.3: Recognize that people's choices about what they will buy will determine what goods and services are produced. (E)

Taxonomy Level: A 1 Remember /Factual Knowledge

Previous/future knowledge:

Students were introduced to making choices in first grade (1-6.1). They would have been introduced to supply and demand earlier (2.5.2) and will be exposed to the issues of scarcity, opportunity cost, and economic decision making in high school (ECON 1.1, 1.2, 1.3).

It is essential for students to know:

Students must understand the relationship between what people buy and what is produced by businesses. Students should understand the market concept of “consumer sovereignty,” or the consumer as king of the marketplace, and the impact of consumer choices on the final production of goods and services. Students should recognize the determinants, or factors, of demand that influence changes in consumer decisions to purchase goods and services.

It is not essential for students to know:

Students do not need to know the meaning of scarcity, opportunity cost, and the determinants of supply that would cause supply to change in the market. Students do not have to understand a graphical analysis of supply and demand or be able to illustrate changes in supply or demand.

Assessment guidelines:

The objective of this indicator is to *exemplify* the impact of people's choices on market behavior; therefore, the primary focus of assessment should be to *identify* determinants of demand and *explain* how these changes impact the price and quantity sold in the market.